

***Financial Report***

***Terrebonne Parish Recreation District No. 5***

***Bourg, Louisiana***

***December 31, 2001***

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December 31, 2001

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## **FINANCIAL SECTION**



**Bourgeois Bennett**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 5,  
Bourg, Louisiana.

We have audited the accompanying general-purpose financial statements of Terrebonne Parish Recreation District No. 5 (the District), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Terrebonne Parish Recreation District No. 5 as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 8, 2002 on our consideration of Terrebonne Parish Recreation District No. 5's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
February 8, 2002.



**COMBINED BALANCE SHEET -**  
**GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS**

**Terrebonne Parish Recreation District No. 5**

	Governmental Fund Type General	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets</b>				
Cash	\$ 28,085	\$ -	\$ -	\$ 28,085
Investments	160,060	-	-	160,060
Receivable - taxes	40,070	-	-	40,070
Due from other governmental units	65,008	-	-	65,008
Fixed assets	-	477,071	-	477,071
<b>Other Debits</b>				
Amount to be provided for retirement of general long-term debt	-	-	39,708	39,708
<b>Total assets and other debits</b>	<b>\$ 293,223</b>	<b>\$ 477,071</b>	<b>\$ 39,708</b>	<b>\$ 810,002</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenditures	\$ 1,383		\$ -	\$ 1,383
Due to Terrebonne Parish Consolidated Government	408		-	408
Deferred revenue	105,078		-	105,078
Other long-term debt	-		39,708	39,708
<b>Total liabilities</b>	<b>106,869</b>		<b>39,708</b>	<b>146,577</b>
<b>Equity and Other Credits</b>				
Investment in general fixed assets	-	\$ 477,071		477,071
Fund balances - unreserved:				
Designated for subsequent years' expenditures	18,529	-		18,529
Undesignated	167,825	-		167,825
<b>Total equity and other credits</b>	<b>186,354</b>	<b>477,071</b>		<b>663,425</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 293,223</b>	<b>\$ 477,071</b>	<b>\$ 39,708</b>	<b>\$ 810,002</b>

See notes to financial statements.

**STATEMENT OF REVENUES AND EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GOVERNMENTAL FUND TYPE - GENERAL FUND**

**Terrebonne Parish Recreation District No. 5**

For the year ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Taxes	\$ 76,859	\$ 81,517	\$ 4,658
Intergovernmental:			
State of Louisiana:			
State revenue sharing	18,374	18,374	-
Charges for services	75	75	-
Miscellaneous - interest	1,453	8,530	7,077
	<u>96,761</u>	<u>108,496</u>	<u>11,735</u>
Total revenues			
<b>Expenditures</b>			
Current:			
General Government:			
Ad valorem tax adjustment	3,663	1,292	2,371
Ad valorem tax deductions	2,269	3,579	(1,310)
	<u>5,932</u>	<u>4,871</u>	<u>1,061</u>
Total general government			
Culture and Recreation:			
Personal services	26,024	25,798	226
Supplies and materials	2,409	2,302	107
Other services and charges	17,551	17,948	(397)
Repairs and maintenance	27,178	7,963	19,215
Capital expenditures	-	21,490	(21,490)
	<u>73,162</u>	<u>75,501</u>	<u>(2,339)</u>
Total culture and recreation			
Debt Service:			
Principal retirement	3,000	3,000	-
	<u>82,094</u>	<u>83,372</u>	<u>(1,278)</u>
Total expenditures			
<b>Excess of Revenues Over Expenditures</b>	<u>\$ 14,667</u>	25,124	<u>\$ 10,457</u>
<b>Fund Balance</b>			
Beginning of year		<u>161,230</u>	
End of year		<u>\$ 186,354</u>	

See notes to financial statements.



**NOTES TO FINANCIAL STATEMENTS**

**Terrebonne Parish Recreation District No. 5**

December 31, 2001

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Terrebonne Parish Recreation District No. 5 (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a) Reporting Entity**

The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2001.

The District has reviewed all of its activities and determined that there are no potential component units, which should be included in its financial statements.

**b) Fund Accounting**

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Fund Accounting (Continued)**

**Governmental Funds**

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the District:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

**Account Groups**

Account groups are used to establish accounting control and accountability. The District's Account Groups are as follows:

**General Fixed Assets Account Group** - This account group is used to account for fixed assets not accounted for in proprietary or trust funds.

**General Long-Term Debt Account Group** - This account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

**c) Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenues) are recognized as revenue in the period for which levied, thus the 2001 property taxes which are being levied to finance the 2002 budget

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Accounting (Continued)**

will be recognized as revenue in 2002. The 2001 tax levy is recorded as deferred revenue in the District's 2001 financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

**d) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**e) Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

**f) Accounts Receivable**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Investments**

Investments consist of certificates of deposit, which are stated at cost and approximates market value.

**h) Fixed Assets**

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other fixed assets. No depreciation has been provided on fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Fixed assets with an estimated historical cost amounted to approximately \$20,000 or 4.2% of the total General Fixed Assets Account Group.

**i) Long-Term Debt**

The accounting and reporting treatment applied to the long-term debt associated with a fund is determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Long-term debt expected to be financed from Governmental Funds is accounted for in the General Long-Term Debt Account Group, not in the Governmental Funds.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Long-Term Debt (Continued)**

The Long-Term Debt Account Group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

**j) Vacation and Sick Leave**

The District has no written vacation and sick leave policy in place. There is no accumulated unpaid vacation and sick leave at December 31, 2001.

**k) Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the District.

**l) Fund Equity**

Designated fund balance represents tentative plans for future use of financial resources.

**m) Memorandum Only - Total Column**

The total column on the general-purpose financial statement is captioned "Memorandum Only" because it does not represent consolidated financial information and is presented only to facilitate financial analysis. The column does not present information that reflects financial position or results of operations in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

**Note 2 - DEPOSITS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.

**Note 2 - DEPOSITS (Continued)**

State law also requires that deposits (cash and certificates of deposit) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agents but not in the District's name and deposits which are uninsured or uncollateralized.

The year end bank balances of deposits and the carrying amounts as shown on the combined balance sheet are as follows:

	Bank Balances			
	Category			Book
	1	2	3	Balance
Cash	\$ 31,908	\$ -	\$ -	\$ 28,085
Investments:				
Certificates of deposit	<u>100,000</u>	<u>-</u>	<u>60,060</u>	<u>160,060</u>
Totals	<u>\$131,908</u>	<u>\$ -</u>	<u>\$60,060</u>	<u>\$188,145</u>

At December 31, 2001, \$10,358 of certificates of deposit were not adequately collateralized by securities held by an unaffiliated banks for the account of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.



**Note 3 - PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2000. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2001 was \$10.46 per \$1,000 of assessed valuation on property within Recreation District No. 5 for the purpose of maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2001 are for budgeted expenditures in 2002 and will be recognized as revenues in 2002.

**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at December 31, 2001 consisted of the following:

State of Louisiana -	
State revenue sharing	\$11,797
Terrebonne Parish Tax Collector -	
December, 2001 collections remitted to the	
District in January, 2002:	
Ad valorem taxes	47,312
State revenue sharing	<u>5,899</u>
Total	<u>\$65,008</u>

**Note 5 - CHANGES IN FIXED ASSETS**

A summary of changes in fixed assets follows:

	<u>Balance January 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2001</u>
Land, buildings and improvements	\$415,198	\$ -	\$ -	\$415,198
Machinery and equipment	<u>41,060</u>	<u>21,490</u>	<u>677</u>	<u>61,873</u>
Totals	<u>\$456,258</u>	<u>\$21,490</u>	<u>\$677</u>	<u>\$477,071</u>

**Note 6 - LONG-TERM DEBT**

At December 31, 2001, the District had an outstanding interest free loan from Terrebonne Parish Consolidated Government.

The following is a summary of changes in the long-term debt of the District for the year ended December 31, 2001:

	<u>Payable January 1, 2001</u>	<u>Debt Retirement</u>	<u>Payable December 31, 2001</u>
Terrebonne Parish Consolidated Government	<u>\$42,708</u>	<u>\$3,000</u>	<u>\$39,708</u>

The annual requirements to amortize all long-term debt outstanding at December 31, 2001 are as follows:

<u>Year</u>	
2002	\$ 3,000
2003	3,000
2004	3,000
2005	3,000
2006	3,000
2007 - 2011	15,000
2012 - 2015	<u>9,708</u>
Total	<u>\$39,708</u>

**Note 7 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to general liability, workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for general liability are based on various factors such as operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The Parish handles all claims filed against the District related to general liability and workers' compensation. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
General Liability	\$6,500,000
Workers' Compensation	Statutory

Coverage for claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$1,431,079 at December 31, 2000, then secondly by the District. At December 31, 2001, the District had no claims in excess of the above coverage limits. Expenditures on premiums for insurance coverages provided by the Parish during the year ended December 31, 2001 total \$4,023.

**Note 8 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to members of the Board of Commissioners for the year ended December 31, 2001:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Michael Aucoin	5	\$ 50
David Cook	7	70
Thomas Ellender	4	40
Wallace Ellender, III	8	80
Cindy McDowell	11	110
Ima Remel	11	110
Kenny White	10	<u>100</u>
Total		<u>\$560</u>

## **SUPPLEMENTARY INFORMATION SECTION**





Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 5,  
Bourg, Louisiana.

Our report on our audit of the general-purpose financial statements of Terrebonne Parish Recreation District No. 5 (the District) for the year ended December 31, 2001, appears on page 1. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the schedule of revenues and expenditures and graphs of revenues and expenditures for the year ended December 31, 2001 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements for the year ended December 31, 2001, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the balance sheets of Terrebonne Parish Recreation District No. 5 as of December 31, 2000 and 1999, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 2000 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedule of revenues and expenditures and graphs of revenues and expenditures for the years ended December 31, 2000 and 1999 is fairly stated in all material respects in relation to the general-purpose financial statements from which it has been derived.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
February 8, 2002.

**SCHEDULE OF REVENUES AND EXPENDITURES****Terrebonne Parish Recreation District No. 5**

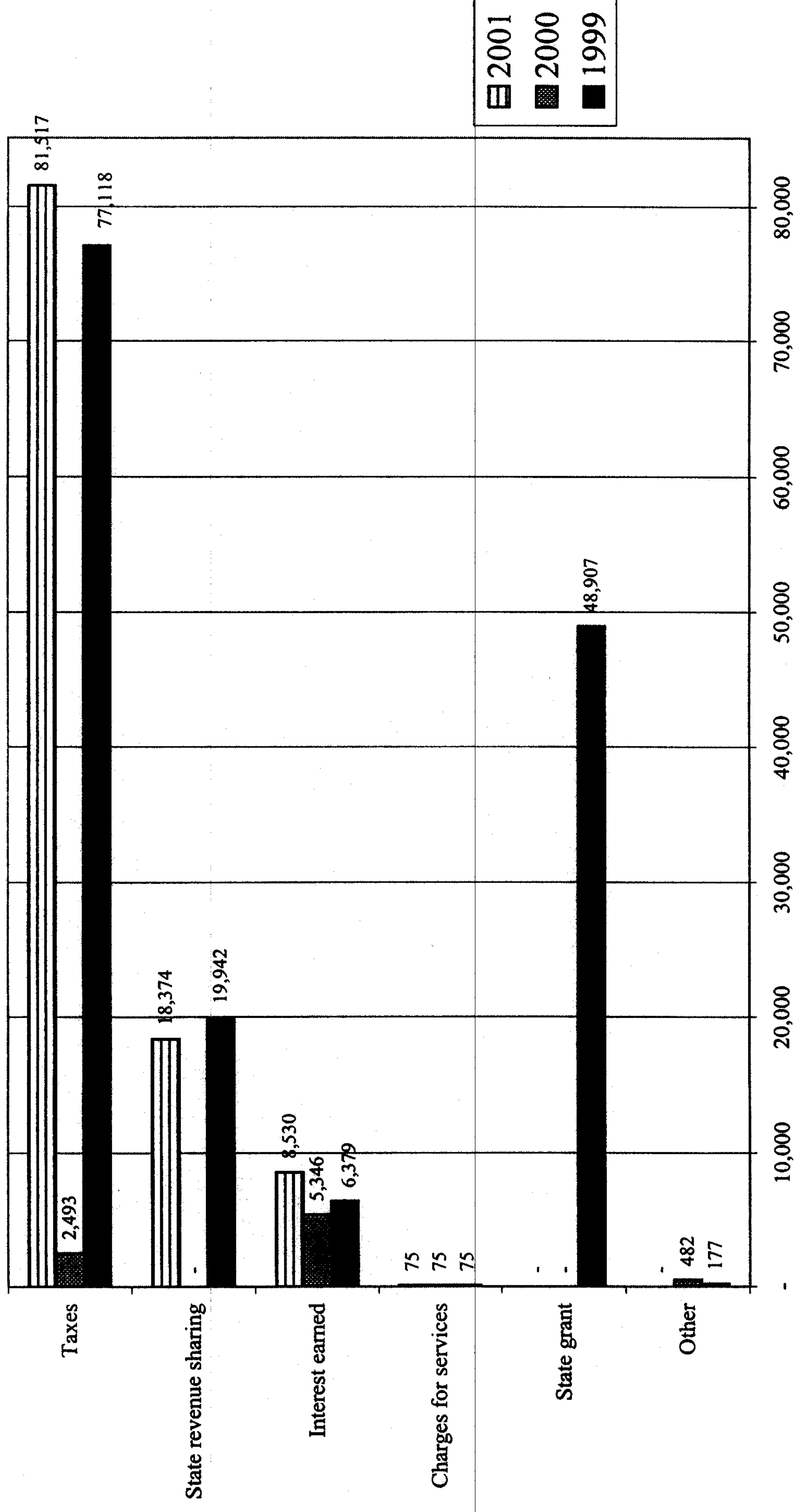
For the years ended December 31, 2001, 2000 and 1999

	<u>2001</u>	<u>2000</u>	<u>1999</u>
<b>Revenues</b>			
Taxes	\$ 81,517	\$ 2,493	\$ 77,118
State revenue sharing	18,374	-	19,942
Interest earned	8,530	5,346	6,379
Charges for services	75	75	75
State grant	-	-	48,907
Other	-	482	177
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 108,496</u>	<u>\$ 8,396</u>	<u>\$ 152,598</u>
<b>Expenditures</b>			
General government	\$ 4,871	\$ 853	\$ 6,785
Personal services	25,798	25,197	24,323
Supplies and materials	2,302	2,474	2,696
Other services and charges	17,948	15,009	14,954
Repairs and maintenance	7,963	3,288	14,299
Capital expenditures	21,490	6,664	49,392
Debt service	3,000	3,000	3,000
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 83,372</u>	<u>\$ 56,485</u>	<u>\$ 115,449</u>



**REVENUES****Terrebonne Parish Recreation District No. 5**

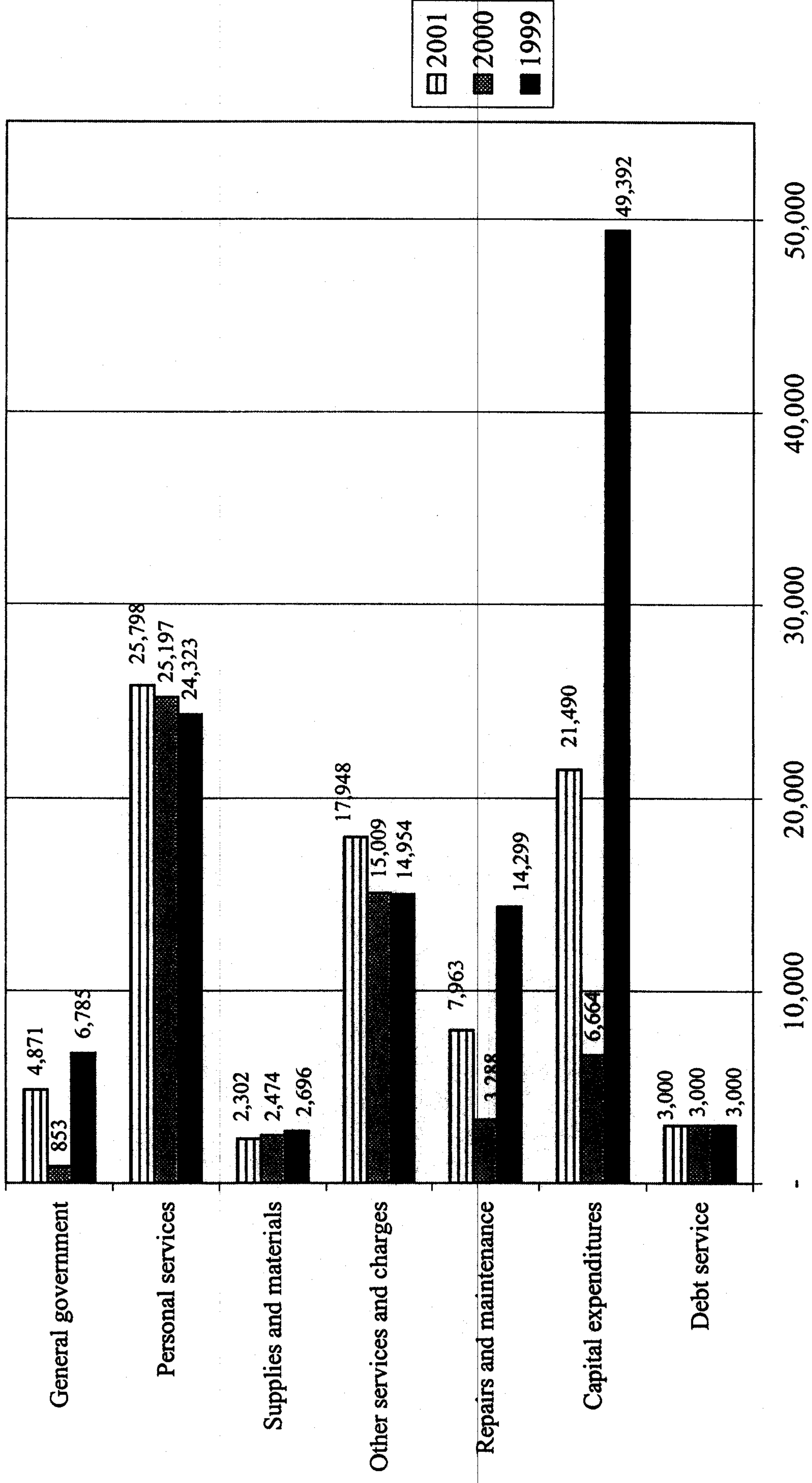
For the years ended December 31, 2001, 2000 and 1999



EXPENDITURES

## Terrebonne Parish Recreation District No. 5

For the years ended December 31, 2001, 2000 and 1999



**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL-  
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,  
Terrebonne Parish Recreation District No. 5,  
Bourg, Louisiana.

We have audited the general-purpose financial statements of Terrebonne Parish Recreation District No. 5 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2001, and have issued our report thereon dated February 8, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the Schedule of Findings as item 01-1.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might



be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
February 8, 2002.

## SCHEDULE OF FINDINGS

### **Terrebonne Parish Recreation District No. 5**

For the year ended December 31, 2001

#### **Section I Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☒ yes ☐ no

##### **b) Federal Awards**

Terrebonne Parish Recreation District No. 5 did not receive federal awards during the year ended December 31, 2001.

#### **Section II Financial Statement Findings**

##### **Compliance**

00-1 **Criteria** - Louisiana Revised Statute 39:1221-1230 requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

**Condition** - During the audit it was noted that the District was undersecured at year end by \$10,358.

**Questioned Costs** - None

**Context** - Not applicable



## **SCHEDULE OF FINDINGS**

**(Continued)**

### **Terrebonne Parish Recreation District No. 5**

For the year ended December 31, 2001

#### **Section II Financial Statement Findings (Continued)**

00-1 (Continued)

**Effect** - Noncompliance with State pledged securities laws.

**Cause** - The Secretary/Treasurer was unaware that the District was undersecured at the end of the year.

**Recommendation** - We recommend that the District comply with State Pledged Securities Laws by having the financial institution pledge adequate securities to cover the District's deposits.

**Views of Responsible Officials of the Auditee when there is a Disagreement with the Finding, to the Extent Practical** - None

#### **Section III Federal Award Findings and Questioned Costs**

Not applicable.

## **REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS**

### **Terrebonne Parish Recreation District No. 5**

For the year ended December 31, 2001

#### **Section I Internal Control and Compliance Material to the General-Purpose Financial Statements**

##### **Internal Control**

No material weaknesses were reported during the audit for the year ended December 31, 2000.  
No reportable conditions were reported during the audit for the year ended December 31, 2000.

##### **Compliance**

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 2000.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 5 did not receive federal awards during the year ended December 31, 2000.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2000.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **Terrebonne Parish Recreation District No. 5**

For the year ended December 31, 2001

### **Section I Internal Control and Compliance Material to the General-Purpose Financial Statements**

#### **Internal Control**

No material weaknesses were reported during the audit for the year ended December 31, 2001.  
No reportable conditions were reported during the audit for the year ended December 31, 2001.

#### **Compliance**

01-1 **Recommendation** - We recommend that the District comply with State Pledged Securities Law by having the financial institution pledge adequate securities to cover the District's deposits.

**Management's Response** - The Secretary/Treasurer will make sure that the securities are adequately pledged at all times.

### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Recreation District No. 5 did not receive federal awards during the year ended December 31, 2001.

### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2001.